

LONDON BOROUGH OF TOWER HAMLETS

MINUTES OF THE OVERVIEW & SCRUTINY COMMITTEE

HELD AT 6.35 P.M. ON MONDAY, 15 JANUARY 2018

**ROOM C1, 1ST FLOOR, TOWN HALL, MULBERRY PLACE, 5 CLOVE
CRESCENT, LONDON, E14 2BG**

Members Present:

Councillor Dave Chesterton (Chair)	
Councillor Clare Harrisson (Vice-Chair)	
Councillor Danny Hassell	Scrutiny Lead for Children's Services
Councillor Muhammad Ansar Mustaqim	
Councillor Oliur Rahman	
Councillor Ayas Miah	Scrutiny Lead for Governance
Councillor Helal Uddin	Scrutiny Lead for Place
Councillor Andrew Wood	Scrutiny Lead for Resources
Councillor Shafi Ahmed	

Co-opted Members Present:

Shabbir Chowdhury	Parent Governors
Joanna Hannan	Representative of Diocese of Westminster
Asad M Jaman	Muslim Faith Community
Fatiha Kassouri	Parent Governors
Dr Phillip Rice	Church of England Representative
Christine Trumper	Parent Governors

Other Councillors Present:

Mayor John Biggs
Councillor David Edgar

Apologies:

Councillor Rabina Khan

Officers Present:

Ngozi Adedeji	(Team Leader Housing Services, Governance)
Hannah Bailey	(Scrutiny & Equalities Support Officer)
Zena Cooke	(Corporate Director, Resources)

Afazul Hoque	(Interim Service Manager, Strategy, Policy & Performance)
Neville Murton	(Divisional Director, Finance, Procurement & Audit)
Elizabeth Bailey	Senior Strategy, Policy and Performance Officer
David Knight	(Senior Democratic Services Officer)

1. DECLARATIONS OF DISCLOSABLE PECUNIARY INTEREST

Nil items

2. REQUESTS TO SUBMIT PETITIONS

Nil items

3. UNRESTRICTED REPORTS 'CALLED IN'

Nil items

4. BUDGET 2018 TO 2019

The Committee was reminded that in February 2017 the Council had agreed a 3 year budget and Medium Term Financial Strategy (MTFS) for the period 2017-2020; including savings of £52m that would need to be delivered to if LBTH was to achieve a balanced budget over the period until 2020.

Accordingly, as part of the Council's annual budget cycle, the Committee was informed that the report sets out to provide a review and to update the assumptions made in that report for the years 2018-2020 and incorporates a new year, 2020-21, to maintain the Council's three year MTFS. It was noted that the assumptions as set out in last year's MTFS for 2018-19 have been specifically reviewed so as to allow Members to agree a balanced budget and Council tax requirement for that year.

The Committee was advised that although 2018-19 is the third year of the government's four year guaranteed funding settlement, the introduction of a London-wide business rates retention pilot scheme and the Councils decision to participate will have an impact on those resources the Council receives from Revenue Support Grant and Business Rates and this change for 2018-19 has therefore been considered in this report. In addition, the Committee did note that demographic and inflationary budget pressures together with mayoral priority growth proposals have also been identified and the action that is needed to meet these additional commitments over the existing MTFS assumptions have been outlined within this report.

Finally, the Committee was advised that the impact on the Council's MTFS of the Chancellors Autumn Statement that was announced on the 22nd November 2017 and the 2018-19 provisional local government finance settlement which followed on the 19th December 2017 had also been

considered within the report. The questions and comments from Members on the report may be summarised as follows:

The Committee:

- Noted that Cabinet, 9th January 2018 had formally proposes the draft Budget. Then on 10th January 2018 formal notification had been sent to the Chair of Overview and Scrutiny Committee confirming that the Mayor's initial budget proposals had been circulated to all Members, and that any response of the Overview and Scrutiny Committee to these must be submitted to the Mayor by noon on Friday 26th January 2018. Accordingly, tonight's meeting was specifically to discuss the Mayor's proposals and then formally consider scrutiny comments to be reported to the Mayor by the deadline above;
- Queried that should not the statutory consultations e.g. persons or bodies including those payers of business rates (National Non-Domestic Rates – NNDR) have been finalised prior to tonight's meeting;
- In response it was noted that on 30th January 2018 Cabinet will meet to consider all the feedback (Including from Scrutiny; the Public and those paying NNDR) and then to formally propose the budget to Council. Whilst, on Monday 5th February 2018 the Committee will if needed have the opportunity to meet to specifically to discuss any material changes to the Mayor's proposals announced on 30th January;
- Noted that that the report referenced the improved recovery of Housing Benefits Overpayments and concern was expressed that the use of
- Court Orders in the recovery process. In response it was noted that LBTH (i) aims to be proactive in the establishing of a dialogue to put in place an affordable plan in place to recover money early and over a longer period of time; (ii) has a systematic process in place to take payments; and (iii) works to ensure the way they engage with such residents is not intimidating;
- Also Members were asked if they knew of any instance where this process had not been followed then they should immediately advise the Lead Member;
- Wished to know with regard to the investment in Children's Services where the savings being achieved to achieve to fund this this investment. In response it was noted that the Youth Services Budget per head is one of the largest and it includes Special Educational Needs and Disability (SEND) provision and has a very comprehensive service in place. Also there is funding a comprehensive Anti-Social Behaviour Service;
- The Committee noted that there is a growth bid outlined in the report to address those pressures in Adult and Social Care e.g. the needs of Elders and those individuals requiring Longer Term Mental Health care;
- It was noted that the saving in the Waste Contract is due to the re-procurement of the Service and going forward there will be funding to address any increases in waste disposal costs;

- It was noted that regarding the Information and Communication Technology (ICT) contract consideration was being given to the cost effectiveness of managing certain functions in-house verse externally. In addition, a lot of work is being done around the future funding for ICT e.g. the infrastructure needs and the specialist ICT applications to assist staff in their work;
- Noted that as with most local authorities LBTH have often to access highly skill staff with specific skillsets of expertise around developing contracts. Which does not impact upon on the actual management of any contract;
- Noted that the report outlines what is being done to address the various budgetary pressures facing LBTH;
- Noted that with regard to the provision of shared audit services it was noted that there is benefit in sharing knowledge and expertise rather than using private practice. Also by having such shared services in-house authorities can offer higher salaries although the councils involved will need to have similar a shared values/culture be to so that it will be success in the future;
- Noted that in February 2017 LBTH had agreed to establish two housing delivery vehicles to mitigate pressure on the housing stock by the development of affordable homes through (i) A Wholly Owned Company with a commercial purpose to provide homes for rent and sale; and (ii) A charitable Community Benefit Society to provide homes for sub-market rent, subsidised by grant of land and retained Right To Buy receipts;
- Noted that LBTH wishes to set good standards to ensure a supply of good quality affordable homes;
- Noted that with regard to fire safety LBTH working with Tower Hamlets Homes has worked to address those capital works needed to improve fire safety e.g. sprinklers;
- Noted that LBTH wants good quality services providing a good quality of life such as clean streets; good parks; support for those in greatest need and intensive support in skills training e.g. ESOL;
- Noted that LBTH has achieved the biggest number of affordable homes in England but wants to do better still. LBTH also wants to see other boroughs providing homes as the suitable land in LBTH is finite and LBTH residents are objecting to any more the high density housing in the Borough;
- Asked about the impact on the pupil premium received by LBTH schools following the introduction of the Universal Infant Free School Meals policy e.g. giving free meals to infants has resulted in a significant number of LBTH parents no longer applying for Free School Meals (FSM). As the pupil premium is allocated on the basis FSM numbers, the consequences for LBTH schools could be serious;
- Was informed that the existing programme of savings are being monitored closely and going forward the impact of these savings will be scrutinised over the period of this budget;

- Noted with regard to the impact of leaving the European Union LBTH has reserves in place for “Brexit” although it is not yet clear at present of the actual impact of “Brexit” on the London economy;
- Was informed that funding for schools is ring fenced but LBTH has been active in fighting the reduction in resources available for schools and is looking at what LBTH can do finically for schools e.g. developing key worker housing for teaching staff; and
- Was advised that LBTH needs to ensure that its reserves are being spend it a considered way e.g. they should be used to reduce overall costs than set against any one off revenue expenditure.

5. ANY OTHER UNRESTRICTED BUSINESS WHICH THE CHAIR CONSIDERS TO BE URGENT

Nil items

6. EXCLUSION OF THE PRESS AND PUBLIC

The agenda circulated contained no exempt/ confidential business and there was therefore no requirement to exclude the press and public to allow for its consideration.

7. EXEMPT/ CONFIDENTIAL MINUTES

Nil items

8. EXEMPT/ CONFIDENTIAL REPORTS 'CALLED IN'

Nil items

9. ANY OTHER EXEMPT/ CONFIDENTIAL BUSINESS THAT THE CHAIR CONSIDERS URGENT

Nil items

The meeting ended at 9.00 p.m.

**Chair, Councillor Dave Chesterton
Overview & Scrutiny Committee**